

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

CENTRAL ILLINOIS PUBLIC SERVICE)	
COMPANY d/b/a AmerenCIPS,)	
UNION ELECTRIC COMPANY d/b/a)	
AmerenUE, CENTRAL ILLINOIS LIGHT)	
COMPANY, COMMONWEALTH EDISON)	
COMPANY, ILLINOIS POWER COMPANY,)	
MIDAMERICAN ENERGY COMPANY,)	
NORTHERN ILLINOIS GAS COMPANY)	
d/b/a NICOR GAS COMPANY,)	Docket No. 01-0644
NORTH SHORE GAS COMPANY,)	
and THE PEOPLES GAS LIGHT AND)	
COKE COMPANY)	
)	
Petition for Permanent Approval of An Additional)	
Method To Determine When Deposits May Be)	
Required From Applicants For Residential Service,)	
In Addition to Those Methods Set Forth In)	
83 Ill. Admin. Code § 280.50(a).)	

Attachment A

October 25, 2002

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**Northern Illinois Gas Company's
Response to:
First Data Request of Citizens Utility Board
Ill.C.C. Docket No. 01-0644**

Q. 1.01

On what basis will the utility determine the “score” that will determine whether the applicant for service will or will not be required to pay a deposit?

A. 1.01

The basis will be determined in the case of Nicor Gas using an outside, independent utility model created by Equifax. The actual credit score of each individual applicant for service is determined by his or her credit history.

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- Q. 1.02** Will the score be determined based on utility-specific customer data? If yes, describe the type of customer specific data that will be evaluated and
- A. 1.02** Yes, the score used by Nicor Gas will be determined by Equifax using all available data in their database, including utility specific customer data.

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- Q. 1.03** Describe the basis for the selection of a particular passing score.
- A. 1.03** Please see the response to question 1.01.

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- Q. 1.04** What specific provision will be made to respond to low-income customers in the imposition of a deposit as a condition of granting service?
- A. 1.04** During the pilot, Nicor Gas' call-center clerks were given the authority to waive a deposit on a case-by-case basis. However, at no time during the phone call is any personal financial information requested. Therefore, unless the customer indicates that he/she is low-income, the call-center clerk does not have income information. However, if the customer indicates that he/she is low-income, the call-center clerk will provide the phone number and other contact information for the various agencies that may be able to assist a low-income household. No applicant calling in will be denied the utility service.

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- Q. 1.05** Will utilities exempt low-income customers from the imposition of a deposit solely as a result of a credit score? If yes, under what criteria will low-income customers be identified?
- A. 1.05** The only information that is requested during the application process over the phone is the new turn on address, the applicant's name, social-security number, telephone, and requested date of turn-on. No questions pertaining to household income or other personal financial information are asked. The only way an applicant would be identified as a low-income household would be if the caller made this information available to the call-center clerk. If the customer is certified by LIHEAP, they will be exempt from being billed a deposit.

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Q. 1.06

What written or oral disclosures will be provided to customers who fail to pass the designated credit score?

A. 1.06

An applicant who scores below the threshold, and from whom a deposit is requested, can contact Equifax directly to discuss the factors that determined their score.

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Q. 1.07

What written or oral disclosures will be provided to customers who fail to pass the designated credit score who seek further information on the calculation and use of credit scores by electric and natural gas utilities?

A. 1.07

Please see the response to question 1.06. Equifax is available to discuss customer's specific information. The information that Equifax provides to customers is specified under the Fair Credit Reporting Act.

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- Q. 1.08** How will customers be informed as to the reason for the required deposit as a condition of service?
- A. 1.08** The charging of a deposit is not used as a condition of service.

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Q. 1.09

If a customer disputes or questions the basis for the credit score, who will handle the dispute or question? Describe the roles of the utility and the credit reporting agency from whom the utility obtained the credit score in handling disputes or questions.

A. 1.09

If a customer disputes or questions the basis for the credit score, they are given the Equifax telephone number. Nicor Gas has no access to the Equifax system; therefore, any disputes or questions that pertain specifically to the credit-score for a customer would be discussed directly with Equifax.

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Q. 1.10

If a customer disputes or questions the basis for the credit score, will the utility grant service while the dispute is pending?

A. 1.10

If a customer disputes or questions the basis for the credit score, their recourse is to contact Equifax directly to determine the makeup of their score. Nicor Gas will initiate service to a customer that is disputing his/her credit score, but if the score is below the set threshold, a deposit will be assessed.

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Q. 1.11

With respect to any utility that used a credit score to determine whether a residential applicant for service must pay a deposit, please provide the following information:

- a. The number of months during which credit scoring has been used.
- b. The number of customers screened using the credit scoring approach.
- c. The number of customers that passed, i.e., who were not required to pay a deposit.
- d. The number of customers who failed under the credit score and who were asked to pay a deposit.
- e. The criteria under which the otherwise applicable deposit was waived.
- f. The number of customers who in fact paid a deposit as a condition of service due to the imposition of the credit score.
- g. The passing score that was determined by the utility to result in "no deposit required."

A. 1.11

- a. Nicor Gas has been credit scoring since July, 1998.
- b. Through March 2002, 205,850 customers were screened.
- c. Through March 2002, 138,814 (67%**) customers were not required to pay a deposit.
- d. Through March 2002, 59,616 (29%**) customers were required to pay a deposit. In addition, some customers were asked to provide additional identification.
- e. For the pilot-program, the call-center clerks were given the authority to waive a deposit on a case-by-case basis.
- f. Through 12/31/99, 2,036 billed deposits were paid-in-full, and 1,926 deposits were billed with arrangements.
- g. The passing score was determined by Nicor Gas was 653 and above.

** The remaining 4% represents those customers that needed to provide additional proof of identification. A deposit may or may not have been assessed on those accounts.

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The following requests are specifically directed to Northern Illinois Gas Company d/b/a Nicor Gas Company and refer to the summary of findings and results to its credit scoring pilot program, which was mailed to CUB on January 31, 2002:

- Q. 1.12** With respect to the Nicor Gas Pilot program results, explain the conditions under which a customer's deposit was waived ("deposit waived" column): 293 in 1999; 345 in 2000; 420 in 2001.
- A. 1.12** A deposit was waived at the discretion of the call-center clerk on a case-by-case basis.

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- Q. 1.13** Why did the volume of waived deposits increase throughout the term of the pilot program?
- A. 1.13** No material increase in deposits was noted during the pilot program. For accounts that met the deposit criteria, 1.7% of otherwise required deposits were waived in 1999, 2.3% were waived in 2000, and 2.2% were waived in 2001.